

European Developments



Transmission Workgroup
3rd October 2013

EU Balancing Code Update



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3rd October 2013

Nominations Update

Nominations Process



1. Nomination Deadline
2. Nomination Confirmation
3. Renomination Process Opens

Impacts	Action
Major	<ul style="list-style-type: none"> • New Nomination procedure at Interconnection Points (IPs) is a significant impact for GB • Nomination related procedures contained in Gas Balancing, CAM, CMP and Interoperability Codes • NTS have been investigating the interactions between these codes • A number of policy/implementation issues have been analysed • The end to end process/system needs to be mapped

Nomination Policy Decisions

- Nominations can be submitted from D-30 as per the UNC (the EU Balancing Code is silent on this point)
- National Grid will not be offering a Pre-nomination cycle
- Over-nomination requests for within-day interruptible capacity will not be offered:
 - The GB regime will continue whereby Nominated gas quantities will not be validated by National Grid against any prevailing Entry or Exit Capacity Entitlement except in the case of an Exceptional Event
 - Any quantities of gas allocated to NTS Users in excess of Entry or Exit Capacity Entitlement will accrue Overrun Charges

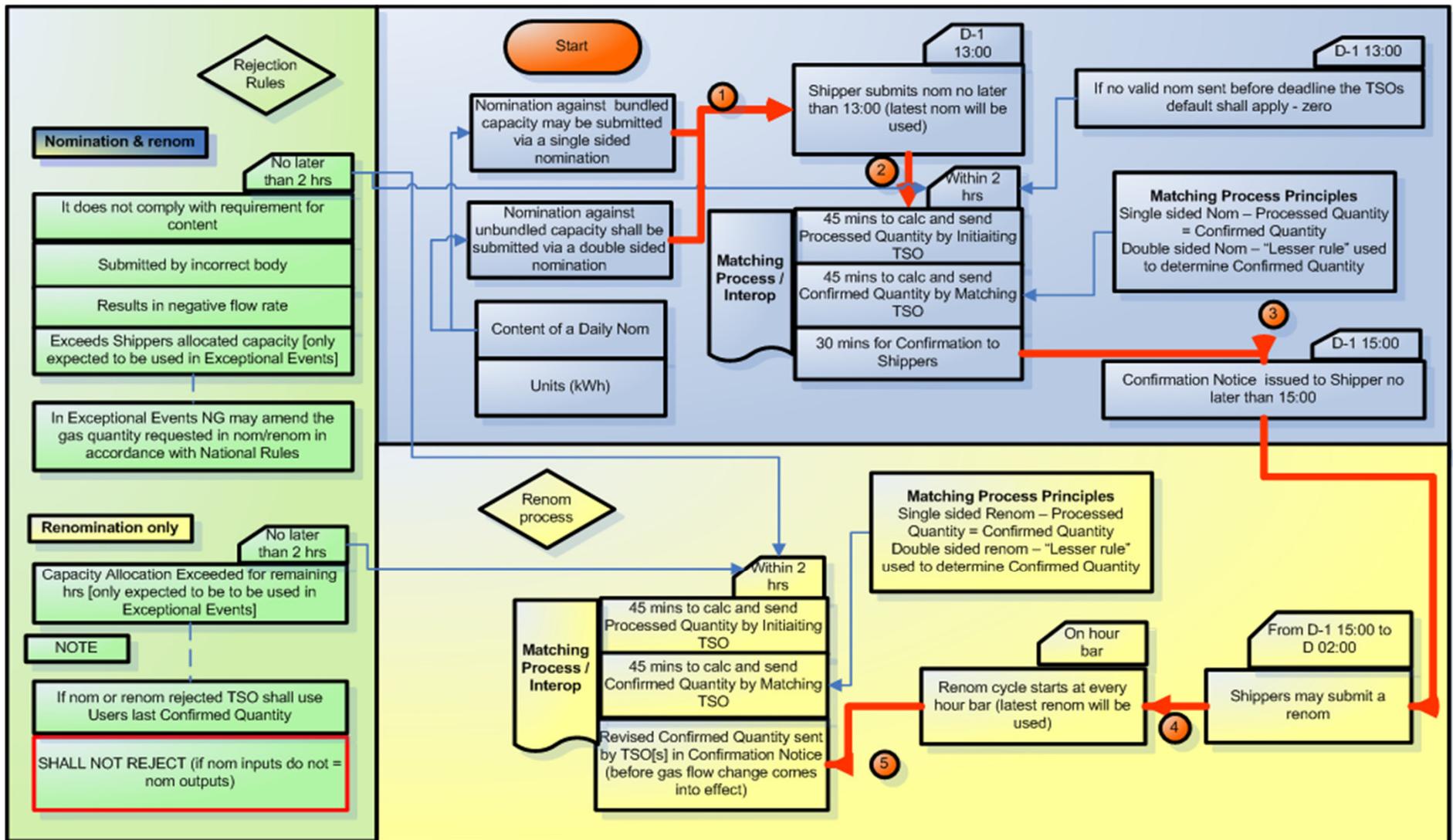
Nomination Policy Decisions (2)

- A User holding both Bundled Capacity and Unbundled Capacity at an IP may submit separate Single Sided Nominations and Double Sided Nominations
 - A 'Single Sided Nomination' is a notice issued by a User to an Initiating Transporter, who forwards this to the Matching TSO
 - A 'Double Sided Nomination' is a notice issued by the User/s either side of an IP to their respective Transporters
- National Grid intends to maintain the requirement for the provision of flow notifications from operators at NTS entry and exit points (i.e. DFNs and OPNs)

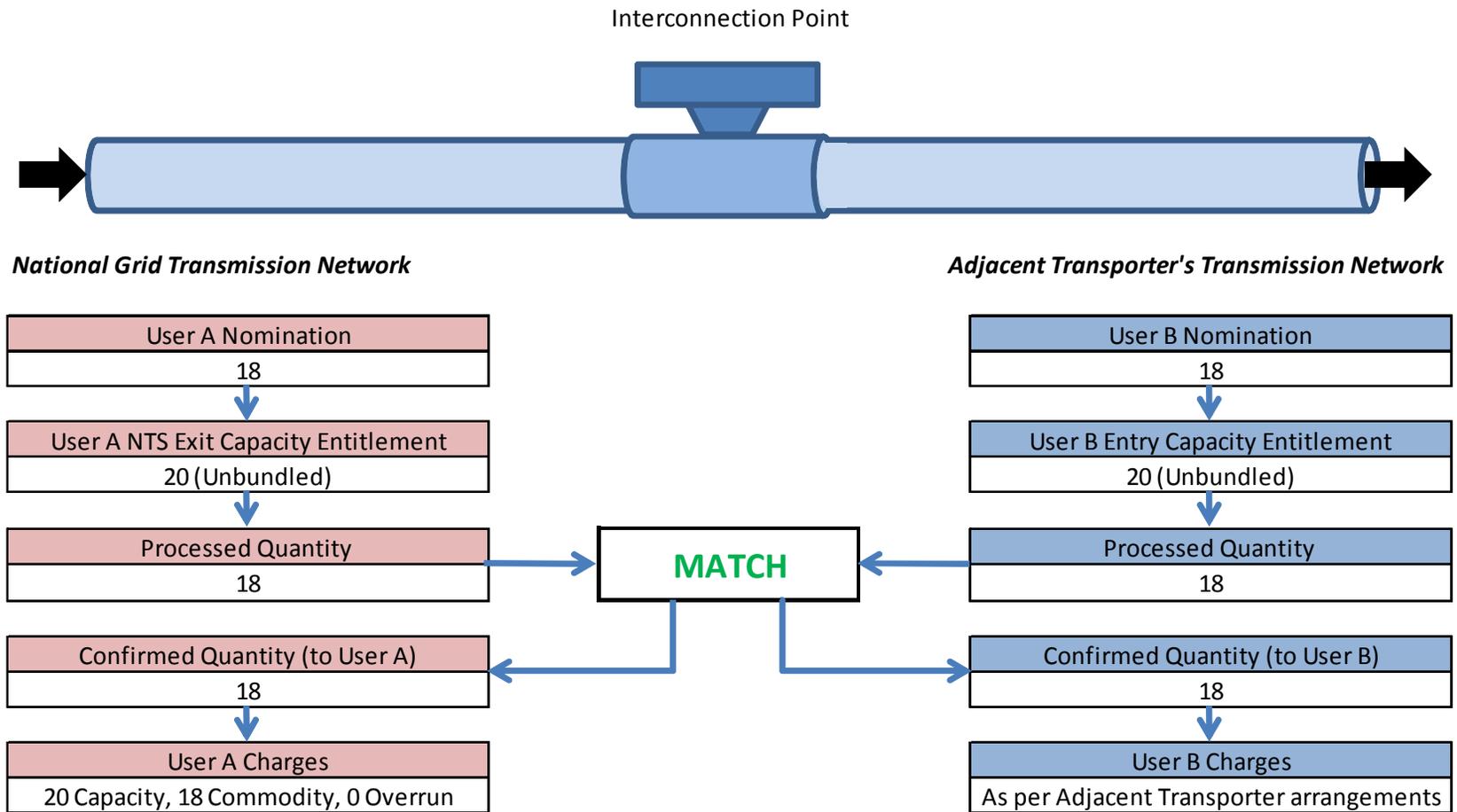
Nomination Assumptions

- Prior to the implementation of the Nomination rules, National Grid and the adjacent Transporter will agree (and specify within the IA):
 - Identity of Initiating Transporter and the Matching Transporter
 - The harmonised information contained within the data exchange for the matching process - 'EDIGAS xml' messages will be utilised
 - The agreed method to ensure that the Processed Quantities for the National Grid User and the User's Counterparty are equal (which by default shall be the 'Lesser Rule')
- The adjacent TSO will be; Interconnector UK (IUK), BBL & Gas Link (subject to outcome of two way/three way capacity bundling discussions)

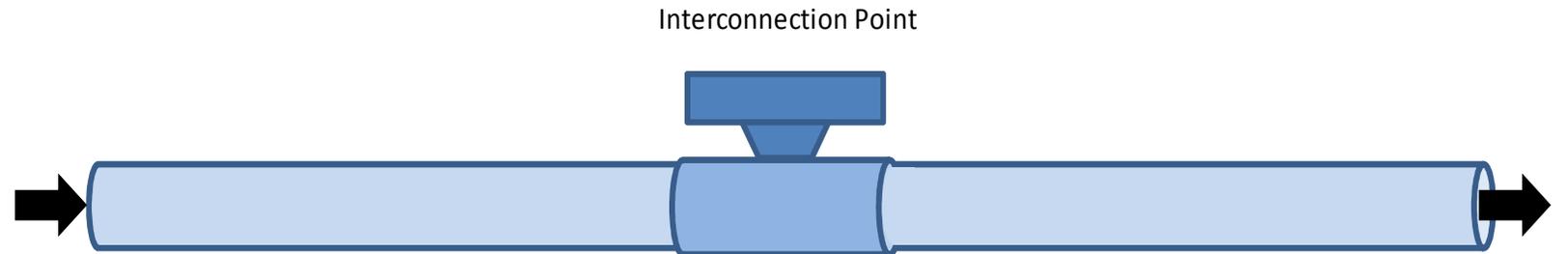
Nomination Process Overview



Example 1 – “Easy” match (Double Sided Nom)

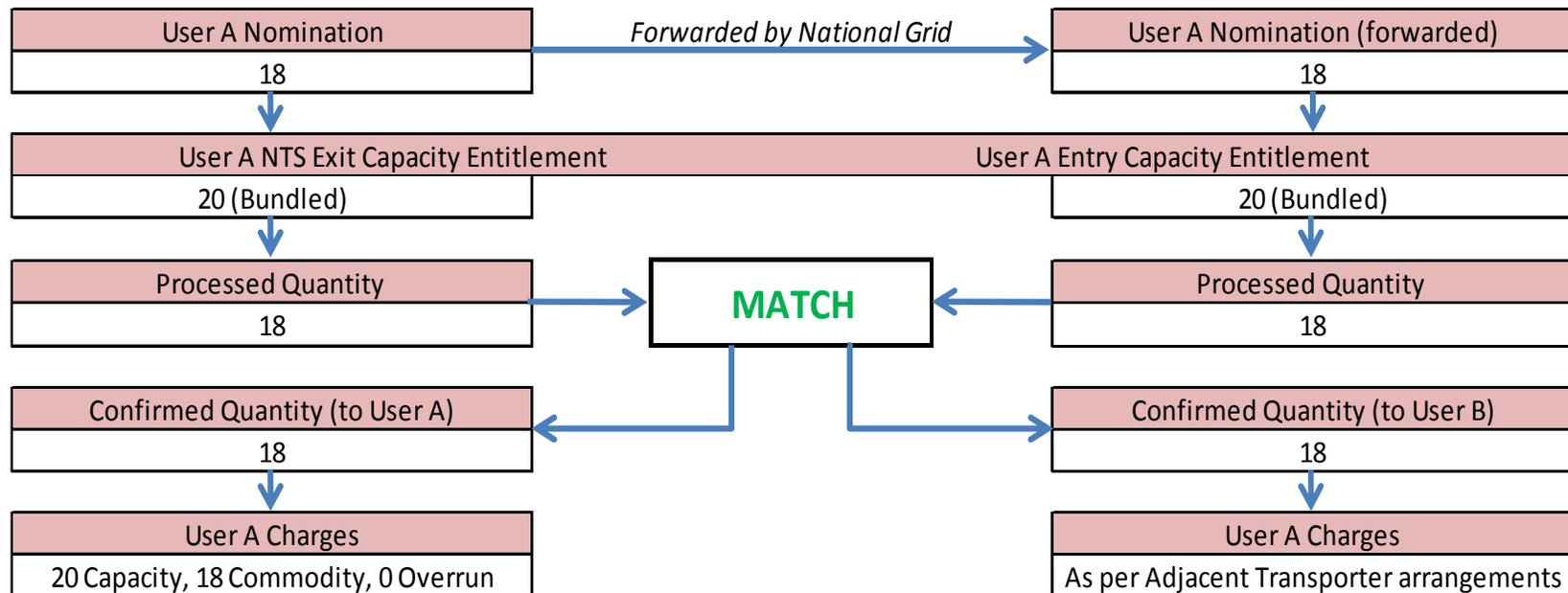


Example 2 – “Easy” match (Single Sided Nom)

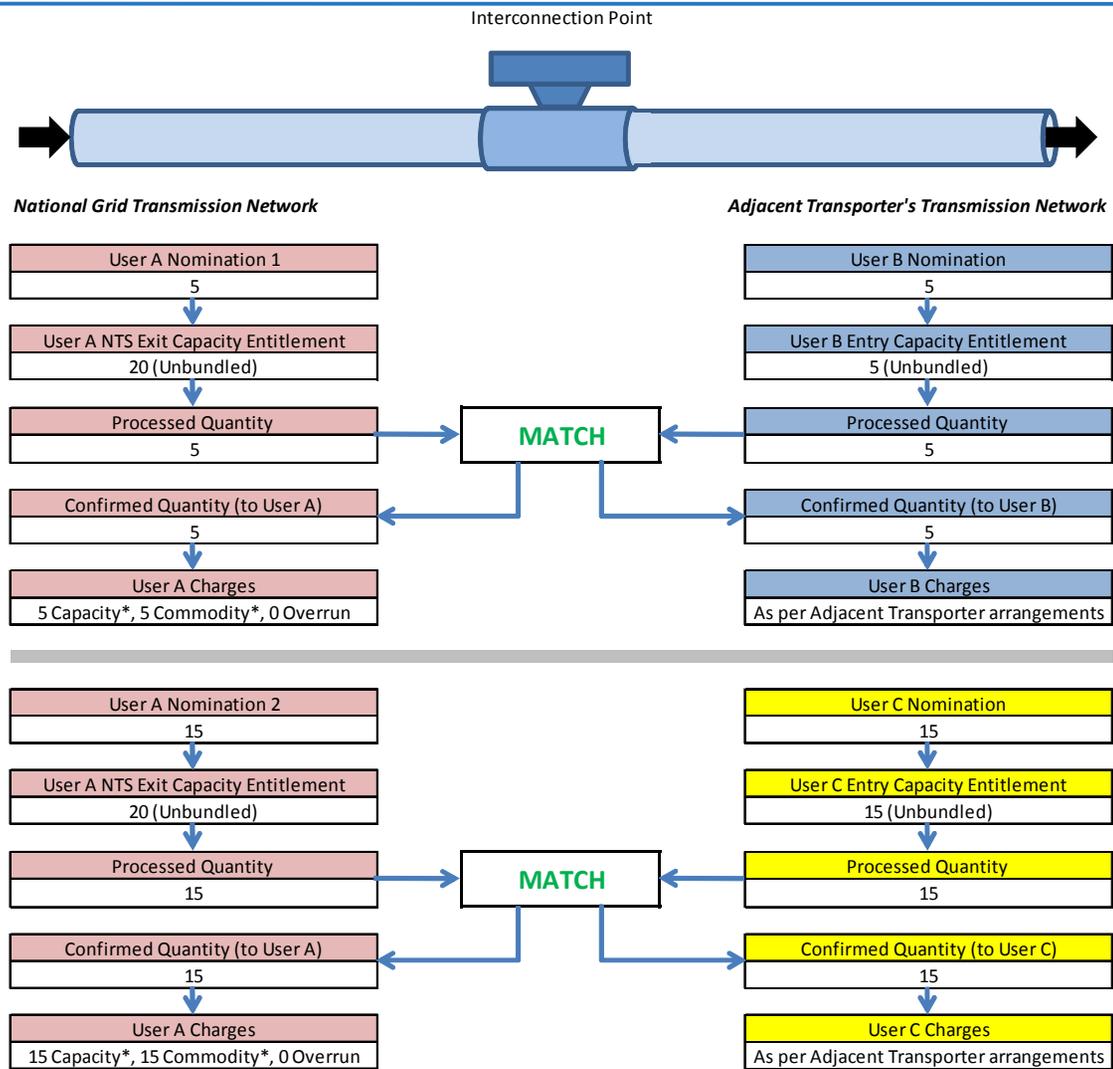


National Grid Transmission Network
(In this example, the Initiating Transporter)

Adjacent Transporter's Transmission Network
(In this example, the Matching Transporter)

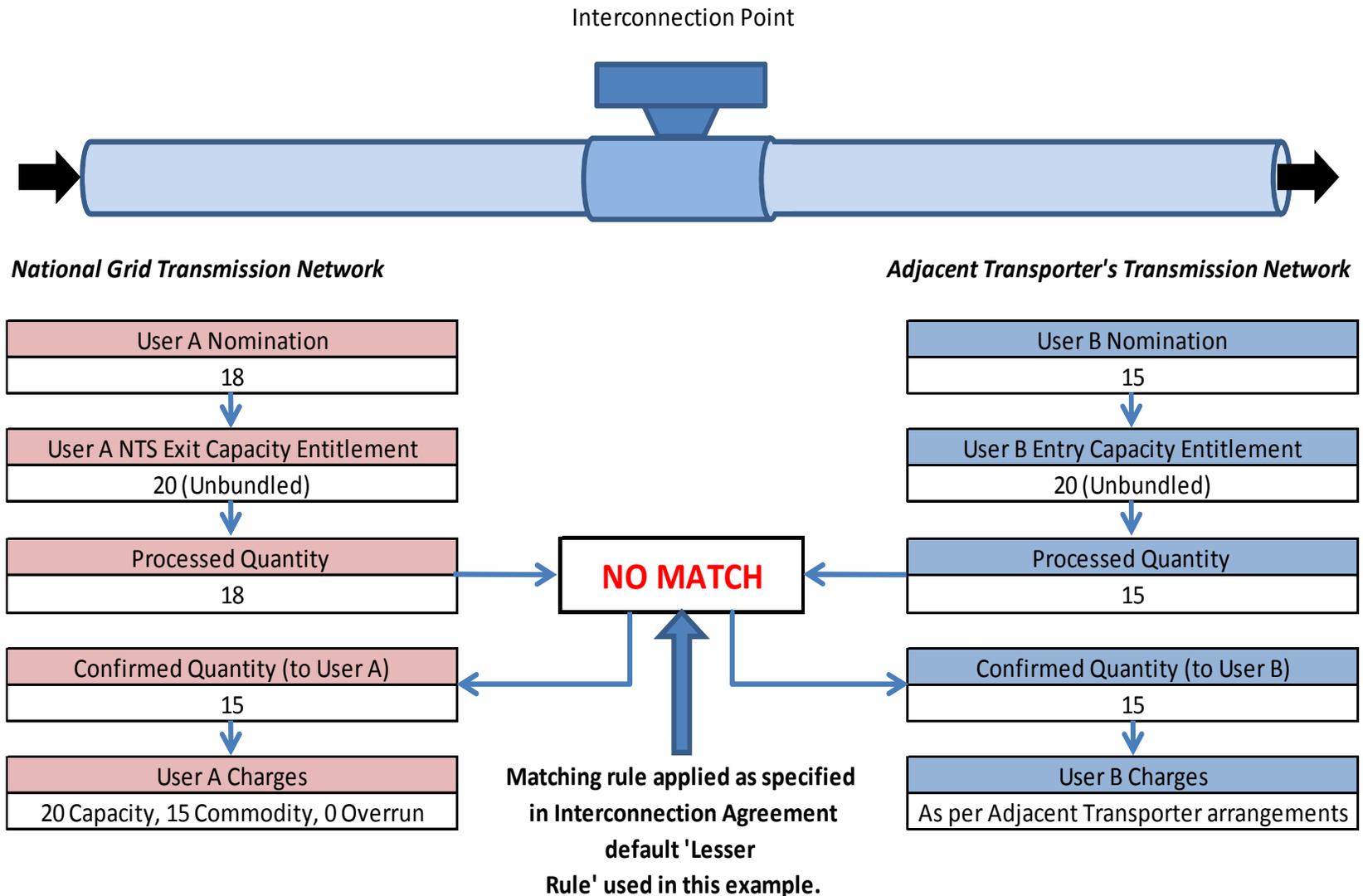


Example 3 – “Easy” match (Multiple Double Sided Nom)

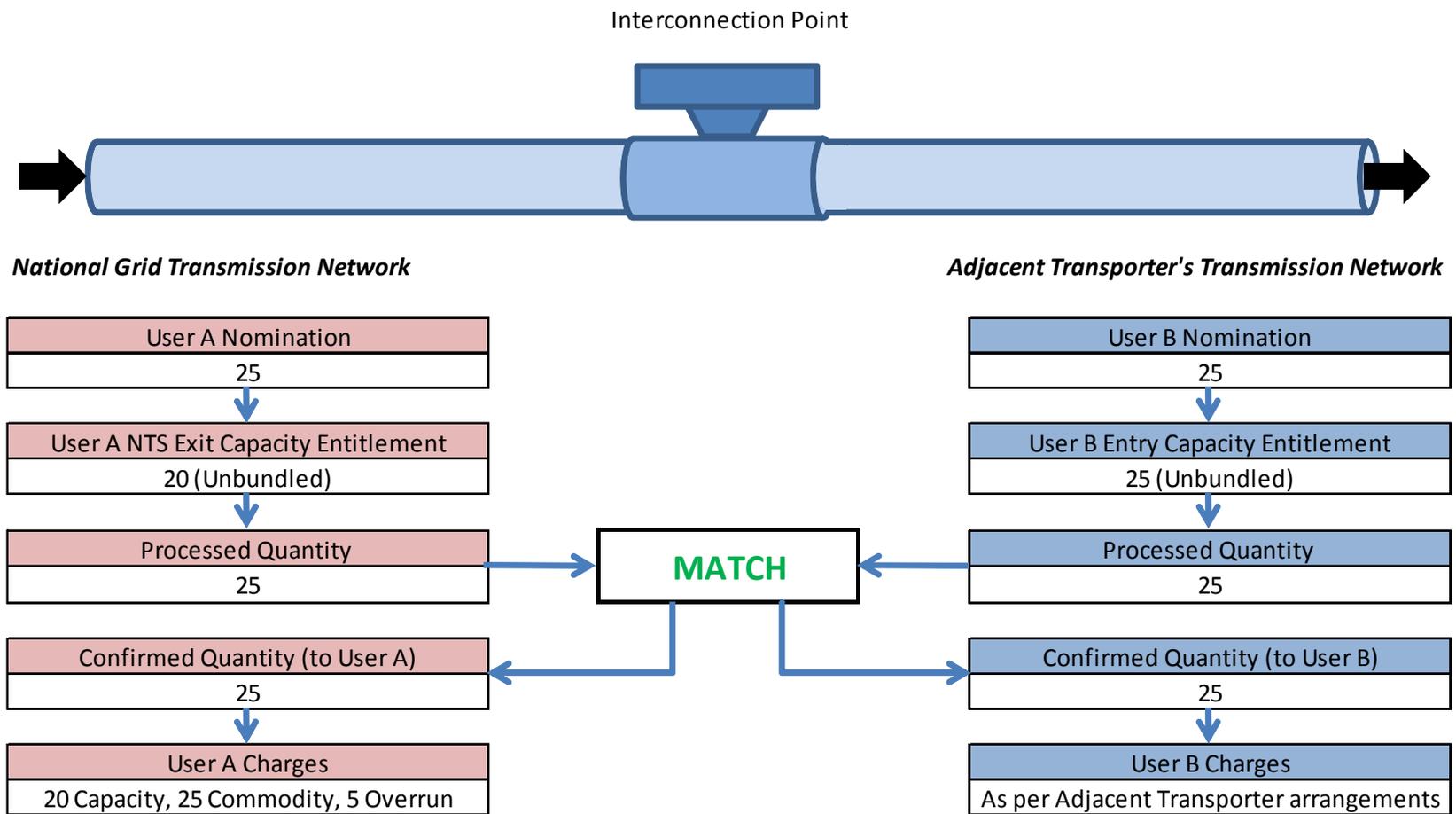


* one single Capacity Charge levied for 20 units, one single Commodity Charge levied for 20 units

Example 4 – Lesser Rule (Double Sided Nom)



Example 5 – Overrun (Double Sided Nom)



EU Interoperability & Data Exchange Network Code



Update for Transmission Workgroup

3rd October 2013

EU Interoperability Code Update

- ENTSOG's Interoperability Network Code and an accompanying 'Analysis of Decisions' document were sent to ACER on 10th September 2013
- ACER has until 10th December 2013 to produce its 'reasoned opinion' on this Code
- Comitology is expected to conclude late Summer 2014, resulting in implementation by the end of 2015
- National Grid NTS will present its Impact Assessment of this Code for the GB regime at the November Transmission Workgroup meeting

Code Status Update

Code	Current Status	Implementation date
Congestion Management (CMP)	UNC0449 Modification raised and progressed via the Tx Workgroup process, Ofgem approved 20 September 2013.	1st October 2013 (Fixed)
Capacity Allocation Mechanism (CAM)	CAM approved for EU Wide Implementation at relevant EU IPs 1st November 2015.	1 November 2015 (Fixed)
Gas Balancing	ACER approved the code on 20th March 2013 and comitology started in July 2013. Final comitology meetings planned for 1 st and 2 nd October.	April 2015/April 2016 (subject to NRA approval for additional 12 months to implement) Estimated
Interoperability	ENTSOG submitted this Code and its 'analysis of decisions' document to ACER on 10th September 2013. ACER is scheduled to produce its 'reasoned opinion' on the Code by 10th December 2013	Q4 2015 (Estimated)
Tariffs	Final FGs extended until Q4 2013 to allow more consideration of Cost Allocation methodology. ACER consultation on Cost Allocation methodology section of Tariff FG and Tariffs for Incremental Capacity closed 17th September. Publication of FG expected by 30th November.	Estimated earliest mid January 2017
Incremental Capacity	CEER-ACER joint workshop held 3 June (Brussels) to discuss their Blueprint for Incremental Capacity. ACER consultation closed 17th September. Incremental expected to be introduced via combination of new articles in CAM Network Code and via Tariffs Network Code.	TBC

EU Code & Legislation Implementation



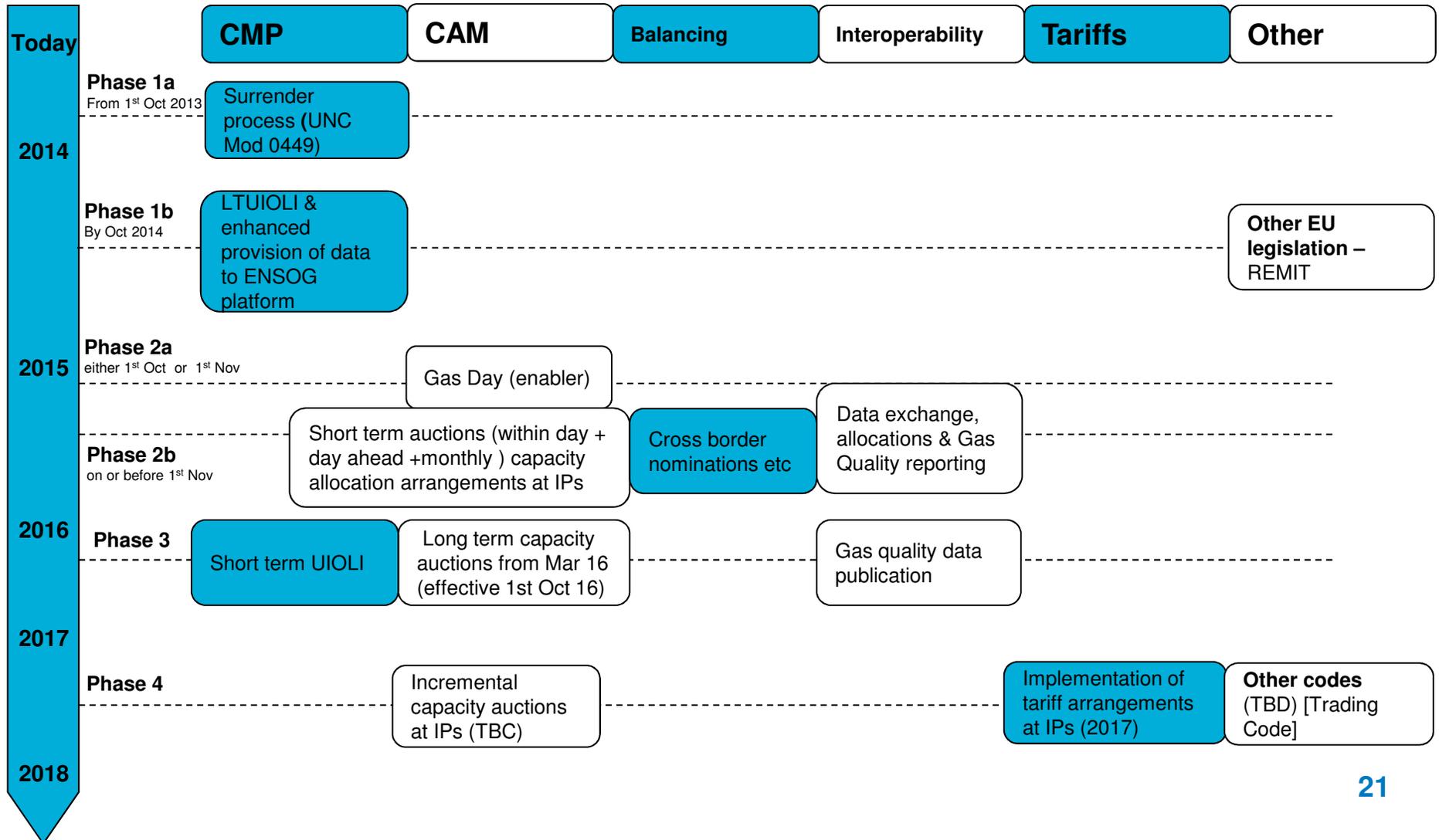
EU Code & Legislation Implementation

- Each tranche of Third Package code (CMP, CAM, Balancing, Interoperability and Tariffs) contains requirements for translation into the GB regime
- It is for TSOs to decide what the logical grouping of implementation phases should be in order to achieve compliance
- NG NTS believe that compliance against the EU legislation, including Third Package codes can be best met through implementation phases
- Each phase will have a particular IS release plan and associated UNC, Licence and process changes

Phase Contents

Phase 1a	Congestion Management Principles
Phase 1b	CMP – Long Term Use It Or Lose It
	Enhanced Data Provision
	REMIT
Phase 2a	Gas Day
Phase 2b	Interoperability and Data Exchange
	Capacity Allocation Management
	Balancing
Phase 3	CMP – Short Term Use It or Lose It
	CAM – Long Term Capacity Auctions
	Interoperability
Phase 4	CAM – Incremental Capacity Auctions
	Incremental Capacity
	Tariffs

High level Roadmap



UNC Modification and System Development

- Phase 1a for completion by October 2013
 - Includes initial delivery of CMP via UNC Mod 0449
 - Mod 0449 with Ofgem for a decision
- Phase 2a for completion by October 2015
 - Includes Gas Day delivery via UNC Mod 0461
 - Mod 0461 is under development and some initial system analysis work has already been initiated
- Other Phases (including 2015 phase 2b) – details to follow
 - NG NTS views on number and types of Mods required
 - NG NTS views on the system delivery project/s

Future EU Updates

- Timetable aims to highlight the key items (consultations, workshops, decisions, etc.) National Grid NTS expect to cover via this agenda item in the forthcoming months

Topic	TX Workgroup
<ul style="list-style-type: none">• Balancing update• Impact Assessment of Interoperability Code	November